

Pacific University CommonKnowledge

Volume 2 (2002)

Interface: The Journal of Education, Community
and Values

10-1-2002

Buy, Lie, and Sell High: How Investors Lost Out on Enron and the Internet Bubble

Jeffrey Barlow
Pacific University

Follow this and additional works at: <http://commons.pacificu.edu/inter02>

Recommended Citation

Barlow, J. (2002). Buy, Lie, and Sell High: How Investors Lost Out on Enron and the Internet Bubble [Review]. *Interface: The Journal of Education, Community and Values* 2(8). Available <http://bcis.pacificu.edu/journal/2002/08/mills.php>

This Book/Site Review is brought to you for free and open access by the Interface: The Journal of Education, Community and Values at CommonKnowledge. It has been accepted for inclusion in Volume 2 (2002) by an authorized administrator of CommonKnowledge. For more information, please contact CommonKnowledge@pacificu.edu.

Buy, Lie, and Sell High: How Investors Lost Out on Enron and the Internet Bubble

Description

Review of *Buy, Lie, and Sell High: How Investors Lost Out on Enron and the Internet Bubble* / Mills, D. Quinn.
New York: Prentice-Hall Financial Times, 2002.

Rights

Terms of use for work posted in CommonKnowledge.

Buy, Lie, and Sell High: How Investors Lost Out on Enron and the Internet Bubble

Posted on **October 1, 2002** by **Editor**



By **Jeffrey Barlow** <barlowj@pacificu.edu>

Editor, *Interface*

Mills, D. Quinn. *Buy, Lie, and Sell High: How Investors Lost Out on Enron and the Internet Bubble*. New York: Prentice-Hall Financial Times, 2002.

This is one of what is bound to be an increasing number of books dealing with the economic events beginning with the crash of the Internet New Economy bubble in 2000 and covering the continuing decline of the Telecom industry and of the stock market in general as of this writing in October of 2002. Mills, however, writes with unusual authority: he is Professor of Business Administration at Harvard, has taught at the Sloan School of Management at M.I.T., and had overall responsibility in the federal government for wages and prices in the construction industry from 1967-74.

This is, simply put, a wonderful book for those interested in the impact of the Internet and who wish to understand the interplay between the .com New Economy and the American socio-economic and political systems. Moreover, for those with interests more restricted to business practices, the book contains first-person accounts from a number of individuals who worked with particular firms of importance to the New Economy. In addition, Mills is something of an expert in the German New Economy and makes many fascinating comparisons between American and German practices.

Mills analysis stands on a very clear and cogent explanation of the manner in which value is created in the economy. In the past, "value" came from the economic worth of a firm: its track record, its expert management, its understanding of its market, and from a relatively slow and

methodical construction of that value. But during the bubbles, value was created by the financial markets, whose main interest lay not in the long-term value of a firm but in rapidly taking it public and then “flipping” it, that is, selling the now overly valued stock to late comers into the market.

Mills feels that many of the financial maneuvers of many of the players in the creation of the bubble may be illegal, and if not, they certainly should be. In his analysis, the bubbles were economically catastrophic. Among the damages done he lists:

- The world economy has been tipped into recession.
- High technology is today starved for capital.
- Much less venture capital is available than is necessary and most of the investments made during the bubble were in fact bad ones in that they rewarded bad firms and punished good ones.
- Vast amounts of investment dollars were wasted.
- The investments that were made were poor ones and amounted to an inefficient allocation of capital on a gigantic scale.
- The bubble undermined incentives to save.
- The bubble undermined good management. (pp. 188-89)

Mills indictment is detailed, scathing, and well founded in evidence. If you want to understand the New Economy bubble from a professional's perspective, start with Buy, Lie, and Sell High. At the same time, it is not an easy book. While Mills carefully defines his terms and continually lays the groundwork for understanding in an almost arch tectonic fashion, it requires careful reading. For those willing to put in the time, however, this will prove to be a very rewarding work.

Reviewed by Jeffrey Barlow

Editor, *Interface*

This entry was posted in Uncategorized by **Editor**. Bookmark the **permalink** [<http://bcis.pacificu.edu/interface/?p=2607>] .

4 THOUGHTS ON “BUY, LIE, AND SELL HIGH: HOW INVESTORS LOST OUT ON ENRON AND THE INTERNET BUBBLE”

social network

on **February 3, 2014 at 1:38 AM** said:

Thanks a lot for providing folks with this kind of a remarkable opportunity to read critical reviews from here. It's often so superb plus packed with a great deal of fun for me personally and my office peers to visit your site minimum Three times every week to learn the new points you have. And indeed, I'm also truly satisfied inside your astonishing tips

served by you. Some 2 details in this posting are completely the simplest we've ever had.

africa

on **February 4, 2014 at 10:16 AM** said:

My husband and i ended up getting fulfilled once Chris could conclude his look for through the ideas he was given in your site. It's now and again perplexing to just almost certainly be handing out secrets and methods that numerous some other persons may possibly were selling. So we recognize we now have got the writer to enjoy because of that. Those people illustrations you have made, the simple web site menu, the friendships you'll help to make it's everything about this content is good, that may be surely especially essential. Thanks for the whole thing!

nigeria entertainment news

on **February 4, 2014 at 10:27 AM** said:

Attractive section of content. I just stumbled upon your internet site and in accession capital to assert that I get in fact enjoyed account your blog posts. Any way I am going to be subscribing to your augment and even I success you entry consistently rapidly.

nigeria entertainment news

on **February 4, 2014 at 10:36 AM** said:

I think other website proprietors must take this website as an model incredibly clean and beneficial sort and design, in addition to the content. You are an expert in this topic!